



Townsend Council Workshop Minutes
June 19, 2019 @ 7:30 pm
Townsend Town Hall, 141 Main Street

7:30 pm - Council Meeting Minutes

- I.** Call to Order:
- II.** Opening Ceremonies
 - a. Roll Call: present A. Franco, T. McDonald, E. Dugan, S. Lobdell, absent P. Miller
 - b. Pledge of Allegiance:
 - c. Recognition of Visitors: A. McDonald Financial manager for Town investments
 - d. Announcements:
 - Jennifer Helms is the new financial officer
 - This meeting will be run as workshop to set agenda for next month's meeting
- III.** Additions/Deletions to Published Agenda
 - a. Addition to mayor report – appointment of HR Councilmen
- IV.** Mayors Report:
 - a. Appoint of HR chair and co-Chair
- V.** Reports
 - a. State Police:
 - b. Representative Jeff Spiegelman:
 - c. Councilman Carter:
 - d. Town Attorney Fred Townsend III:
 - Need to more communication between meetings for more support
 - A.Mangeri – best to communicate between meetings to correlate with Mr. Townsend
 - e. Town Engineer Ed Van-Otoo:
 - Update on the Woods & Lifehouse Church
 - f. Town Manager Anthony S. Mangeri:
 - Intro of A. McDonald and explanation of report of Town investments and parameters of how investments are directed, Explanation of investment policy and report.
 - Emergent of urgent problem of leaking roof
 - Motion to repair roof E.Dugan, second by S.Lobdell, E.Dugan yea, A.Franco yea, S.Lobdell yea, motion passed – discussion of damage to wall inside building
 - Add to next agenda , profit/loss, account management, policy to collect accounts, cleaning up data in Edmunds
- VI.** Committee Reports
 - a. Finance: Chair Mayor Thomas McDonald – Co-Chair CM Anthony Franco
 - Add budget discussion for agenda
 - b. Public Works: Chair CM Edgar Dugan – Co-Chair CM Scott Lobdell
 - Extra lights status
 - A.Mangeri opened discussion about the meetings of the Lower New Castle County Master Plan and the absence of any plan below Middletown.
 - c. Land Use & Development: Chair CM Scott Lobdell Co-Chair CM Edgar Dugan
 - Report on zoning, code revision, planning commission
 - A.Mangeri add a report on main st. change
 - d. Veterans Committee: Chair CM Patrick Miller – Co-Chair Anthony Franco
 - Nothing at this time
 - e. Public Safety: Chair CM Patrick Miller Co-Chair CM Anthony Franco
 - Discussion of police response
 - Addition of radar trailer
 - f. Community Relations: Chair CM Patrick Miller Co-Chair CM Antony Franco
 - g. Parks & Recreation: Chair CM Anthony Franco Co-Chair CM Patrick Miller
 - L.Gorman turned over all information about Parade/Fair
 - Attendance at movie night
 - Problem of pavilion rentals to pending actions by possible liability= ongoing
- VII.** Open discussion about use of personal phones, email. Mr. Townsend explained FOIA and procedures for exchanging ideas with violations. A.Mangeri explained his reaching out to specific Councilman, is not to be considered to be slights to any member. Effort to minimize conflicts under FOIA, Removal of credit cards.

VIII. Citizens Comments & Participation:

IX. Motion to Adjourn

I am offering this information so as to help our understanding of our current financial parameters

Currently

I have gathered some ideas from Council members, Town Manager and other people in town and am presenting a summarization of them tonight. In an effort to reduce current and future town expenditures, I would like to offer the following proposal. Under the existing state of operations, we being required to spend more money for provided services than we are receiving for fees charged.

- Trash Service
 - Number of services
 - Heart of Town - ~ 150 units
 - Townsend Station - ~ 90 units
 - TVI - ~ 205 units
 - TVII - ~ 223 units
 - TVII West - ~ 111 units
 - Hidden Woods (proposed) - ~ 222 units
 - Townsend Acres (proposed) - ~ 40 units
 - Current residential units - ~ 780 units
 - Total trash service (including future growth) - ~ 1050 units
- Street Light service
 - Current residential units - ~ 780 units
 - Total trash service (including future growth) - ~ 1050 units

Current Expenditures

- Monthly billing – Each month
 - Manhour requirements for billing, collecting fees and performing account management, are approximately 90 hours per month
 - Handling late fees are approximately 30 hours per month
 - Report generation and filing delinquent letters will add another 20 hours per month
 - Total of 140 manhours per month used for handling our accounts receivable
- Mail fees are based on 780 residents
 - At \$0.45 per bill, equals \$351.00
- Additional expenses
 - 3 reams of copy paper
 - 2 boxes of window envelopes for mailing

Approximately each month we spend \$3000 in manhours, \$500 in material (not counting printing equipment and supplies). This will increase within the next year.

Annual cost – Currently, our cost are in the neighborhood of \$38,000 to bill and collect fees. This does not account for delinquent accounts.

Future cost will increase by 25% with the additions of Hidden Woods and Townsend Acres, bringing total to around \$47,500. Per our Ordinance we can charge out \$2.50 per billing as an administrative fee to help offset the cost incurred in billing residents. Currently this will raise monies collected by around \$2,000 per month or \$24,000 annually but we would still be falling behind.

Proposal

- We will need to enforce that all town residents to participate in the Trash collection service. Removes the need for tracking of accounts.
- Over time, we migrate the trash bills and the electric service as line items to the annual real estate tax bill.
 - This will reduce our expenses by approximately 90%
 - This will allow resident and property owners to deduct these fees on their income tax
 - We need to charge the \$2.50 as the administrative fee
 - We may need to adjust the administrative fee to \$3.00 per billing.
- The monies saved can now be used to fix our streets, flush our storm drains, fix our sidewalks, maintain the open areas, provide storm water management maintenance.

I wish to point out that new laws and restrictions will require substantial monies in the future for storm water management. The storm water ponds, wetlands and storm drains will be a major area of future cost. These changes in our billing system should allow us some cushion to our non-discretionary spending to support our town.

Implementation

In order to implement the change from monthly billing to annual billing cycle, I suggest the following procedure. Starting in January of 2020, quarterly billing will occur for the first 3 quarters as \$114 per quarter. The tax bill due in September will be prorated for the next 11 months. This tax bill will include the normal real estate tax and two additional line items. Both will be flat tax fees, the flat fee for trash will be \$275 and the flat fee for electric will be \$143. The taxes in 2021 will increase the flat fees by the respective amounts.

Migrating the fees to the annual real estate tax bill in steps will allow property owners sufficient time for notification to their mortgage companies, as well as time to accrue funds for those bills.

The logistics to move from into annual billing from monthly billing will require resident's accounts to be split in a manner differentiating pre-2020 billing (start of quarterly billing in January 2020) from the September 2020 (normal tax bill cycle).